

RESOLUTION 1712

A RESOLUTION OF THE CITY OF NORTH BEND, WASHINGTON, APPOINTING THE ASSISTANT CITY ADMINISTRATOR/FINANCE DIRECTOR FOR THE PURPOSE OF DESIGNATING CERTAIN EXPENDITURES FOR REIMBURSEMENT FROM BONDS THAT MAY BE AUTHORIZED AND APPROVED BY THE CITY FOR ISSUANCE IN THE FUTURE

WHEREAS, the City of North Bend, Washington (the “City”) issues tax-exempt obligations, including bonds, notes, and leases from time to time for the purpose of financing its governmental activities; and

WHEREAS, the City intends to commence preliminary work, including contracting for preliminary work, to prepare for the Wastewater Treatment Plant Critical Improvements Project to be financed by tax-exempt obligations, which project includes, but is not limited to, Utility Local Improvement District 6 pump station improvements, ultraviolet disinfection system upgrades, Effluent Temperature mitigation, and SCADA system upgrades (the “Projects”), and intends to reimburse itself for certain expenditures from proceeds of the future bond issue; and

WHEREAS, the United States Department of the Treasury has published regulations (the “Regulations”) governing the ability of the City to use the proceeds of tax-exempt obligations for reimbursement of prior expenditures; and

WHEREAS, the Regulations require that a governmental entity declare its intent to issue tax-exempt bonds to reimburse itself for expenditures made prior to the issuance of such bonds before the expenditures are incurred;

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE CITY COUNCIL OF THE CITY OF NORTH BEND, WASHINGTON, AS FOLLOWS:

Section 1. Pursuant to U.S. Treasury Regulation Section 1.150-2(e), the City reasonably expects to pay for expenditures described herein with money in its Sewer Fund and expects to reimburse the Sewer Fund for such expenditures with the proceeds of tax-exempt bonds or other obligations, including but not limited to a tax-exempt line of credit, to be issued by the City (the “Reimbursement Bonds”). The City reasonably expects to spend money in its Sewer Fund for certain capital expenditures relating to the Projects, including but not limited to architectural and engineering fees and other preliminary expenditures.

Section 2. The City Council hereby appoints and designates the Assistant City Administrator/Finance Director (the “Authorized Representative”) as the official responsible for issuing statements of official intent in compliance with Treasury Regulation Section 1.150-2.

Upon a determination by the Authorized Representative that the costs of a particular capital project may be reimbursed from the proceeds of tax-exempt obligations of the City, the Authorized Representative is authorized and directed to execute a certificate of official intent, substantially in the form attached hereto as Exhibit A. Each certificate so executed shall become a part of the official records of the City available for public inspection and review.

Section 3. The maximum principal dollar amount of Reimbursement Bonds expected to be issued for the Projects described in Section 1 is \$3,000,000.

Section 4. The adoption of this resolution shall not obligate the City to issue Reimbursement Bonds. The issuance of the Reimbursement Bonds shall require separate and additional official approval by the City Council.

ADOPTED BY THE CITY COUNCIL OF THE CITY OF NORTH BEND, WASHINGTON, AT A REGULAR MEETING THEREOF, THIS 17TH DAY OF MAY, 2016.

CITY OF NORTH BEND:

APPROVED AS TO FORM:

Kenneth G. Hearing, Mayor

Pacifica Law Group LLP, Bond Counsel

ATTEST/AUTHENTICATED:

Effective: May 17, 2016

Posted: May 18, 2016

Susie Oppedal, City Clerk

EXHIBIT A

FORM OF OFFICIAL INTENT CERTIFICATE

Pursuant to Resolution No. 1712 of the City of North Bend, Washington (the “City”), the undersigned, Assistant City Administrator/Finance Director of the City hereby states as follows:

Section 1. The City reasonably expects to reimburse the expenditures described herein with the proceeds of debt to be incurred by the City (the “Reimbursement Bonds”).

Section 2. The maximum principal amount of Reimbursement Bonds expected to be issued is \$3,000,000.

Section 3. The expenditures with respect to which the City reasonably expects to be reimbursed from the proceeds of Reimbursement Bonds will be made from the City’s Sewer Fund for project costs related to the City’s Wastewater Treatment Plant Critical Improvements Project, which project includes, but is not limited to, Utility Local Improvement District 6 pump station improvements, ultraviolet disinfection system upgrades, Effluent Temperature mitigation, and SCADA system upgrades.

Dated this ____ day of _____, 2016.

Assistant City Administrator/Finance Director